



National Organization for Women, Inc.

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TESTIMONY OF THE NATIONAL ORGANIZATION FOR WOMEN

presented by

JUDY GOLDSMITH, PRESIDENT

on

H.R. 4599, THE FEDERAL EMPLOYEES' PAY EQUITY ACT OF 1984

before the

Subcommittee on Compensation and Employee Benefits

of the

Committee on Post Office and Civil Service

U.S. House of Representatives

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Washington, D.C.

I am pleased to have the opportunity to address this Committee today about the critical problem of sex-based wage discrimination, and the particular solutions offered by H.R. 4599, which will win pay equity for federal civil service employees. The National Organization for Women, the nation's oldest and largest feminist organization with 250,000 members, has long been concerned about and taken action to end the sex discrimination which has such a devastating impact on women and their families. In particular, NOW is concerned about the economic impact of sex discrimination on women and the burden of increased cost it imposes on their lives.

NOW supports Representative Oakar's bill, the "Federal Employees' Pay Equity Act of 1984," and views this legislation as an important and long overdue step in the eradication of wage discrimination based on sex, race and ethnicity throughout the nation's labor force. As the country's largest employer, the federal government has a primary obligation to take the lead and set the national standard by eliminating such discriminatory compensation systems.

H.R. 4599 is necessary to protect the rights of this country's approximately three million federal workers, nearly 40% of whom are women. The wage gap, or difference between what full-time, year-round female and male workers are paid, stands at about 60¢ for all women. Women who are civil servants fare only slightly better; they are paid 63¢ for every dollar paid to male government workers. Occupational

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segregation plays a major role in this wage disparity; in 1982 over 62% of all women employed in white collar government jobs were in grades one through six, which pay less than \$15,000 per year, while less than 20% of men held jobs in these lower-paying categories.

Sex-based wage discrimination is against the law for both public and private employers, whether an employer provides unequal pay for equal work or unequal pay for different jobs of comparable value. The 1981 Supreme Court decision in County of Washington v. Gunther clearly established that such so-called "comparable worth", or pay equity, cases are covered by Title VII of the Civil Rights Act of 1964.

In Gunther, the Court ruled that a wage differential resulting in whole or in part from sex discrimination is illegal if the skill, effort and responsibility of the different "male" and "female" jobs is equal or if the difference does not justify the earnings gap. The Court also refused to review a favorable lower Court pay equity decision in IUE v. Westinghouse, a companion case involving dissimilar male and female jobs which was pending when Gunther was decided. With these two actions, the Supreme Court absolutely established Title VII jurisdiction over all pay equity wage discrimination cases. Yet, the Reagan Administration has persistently failed to enforce the law.

Two months after the Gunther decision, while the Equal Employment Opportunity Commission was still under the management of Carter appointees, guidelines regarding the

investigation and litigation of pay equity cases were issued by the EEOC, the agency that enforces Title VII. However, President Reagan's EEOC chairman, Clarence Thomas, not only refuses to authorize his staff to enforce these guidelines, he even refuses to acknowledge their existence. In the process, Thomas has created a back log of more than 250 cases of wage discrimination based on comparable worth violations. Between 1981-1983, Thomas has presided over a 74% drop in the number of enforcement cases filed by the EEOC against employers.

Last December, in the first significant test case since Gunther, U.S. District Court Judge Tanner ruled in AFSCME v. State of Washington that Washington State violated Title VII by paying workers in predominantly female jobs less than workers in predominantly male jobs which, although different, require the same or less skill, effort and responsibility. Judge Tanner based his decision on what he termed "overwhelming" evidence of "direct, overt and institutionalized discrimination" in the hiring, pay and promotions of women employed by the state of Washington.

As with the Bob Jones University and Grove City College cases, the Reagan Administration in the Washington State case has once again failed to reinforce a national commitment to fight discrimination against all our citizens. Instead, Assistant Attorney General for Civil Rights William Bradford Reynolds went so far as to say, without even having reviewed the trial transcript, that he has absolutely no doubt

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that Tanner's decision is wrong. Both the EEOC and the Justice Department are legally bound to enforce the law. Instead, the Reagan Justice Department is threatening to intervene in court on behalf of the discriminator in this case. That would be an unprecedented step backward in public policy, and a total abdication of the government's responsibility to uphold the law against discrimination.

Women and their families cannot afford to have the federal government abandon them and their civil rights in these difficult economic times. Women's economic status has already worsened over the past three decades. Sixty percent of all female workers are now paid less than \$15,000 per year, while only 28% of men fall into this category. Fewer than 4% of all women make more than \$30,000 per year, while more than 25% of all men are paid that salary. Further, racial discrimination compounds the economic problems which minority women face. In 1982, the wage gap for black and hispanic women was 55% and 51%, respectively.

The effects of this wage discrimination on families are devastating. Fifty-five percent of all children under the age of 18 have mothers who work outside the home and many women are the sole support of their families. The percentage of female-headed households has shown a dramatic 70% increase during the past decade. Today, 9.5 million families, or 16% of the total, are headed by women; these

families suffer from a poverty rate more than five times that of husband/wife families.

If current economic trends continue, the National Advisory Council on Economic Opportunity estimates that by the year 2000, this nation's poverty population will consist entirely of women and children. The wage gap is a major cause of the continuing "feminization of poverty," and the single most important reason for the wage gap is the sex discrimination that has resulted from severe and persistent occupational segregation within both the private and public sectors. Fifty-one percent of women work in 20 of the 427 Department of Labor job classifications, and 80% of women work in occupations which are predominantly female.

A 1981 study published by the National Research Council of the National Academy of Sciences shows that the more an occupation is dominated by women, the less it pays. Employers pay the so-called "women's" jobs less than "men's" jobs regardless of the skills, education or training required to perform them. These occupations are segregated in order to pay women lower wages and thus increase employer profits.

Occupational segregation of women into the lowest-paying jobs has actually worsened during the last decade. Not only do women predominate in lower paying fields, but women's gains in higher-paying job categories have not been nearly enough to offset that disparity. By 1982, women were

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28% of executives and managers versus 17% in 1970, and 7% of all skilled craft workers in 1982 versus 5% in 1970. Also, within every job category, an earnings gap exists. Sex discrimination continues to cost women wherever they are in the labor market: female executives and managers are paid 60% of the wages paid to their male counterparts, female salespeople 50% of men, female clericals 62% of men, and female craft workers 65% of men.

This situation will change only when there is vigorous enforcement of existing anti-discrimination laws and when sex is no longer a determinant of wages. Jobs must be offered and paid on a basis other than the sex of the employee. H.R. 4599 mandates the development and use of equitable job evaluation techniques to eliminate discriminatory wage differentials within the federal government's position-classification system.

There is nothing new or unusual about job-evaluation techniques. They were invented by management, and most employers use them to compare the internal relationship of different jobs and set wage rates on the basis of skill, effort, responsibility, experience, training, education, and working conditions.

Representative Oakar's bill contains other important provisions to promote pay equity standards and eliminate discriminatory wage setting practices within the federal civil service system. H.R. 4599 requires the Office of Personnel Management to study pay discrimination within the federal pay structure and report its findings to this Committee within six months, a

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positive and necessary first step as long as the personnel who undertake this study are truly committed to the honest evaluation of all jobs. Guidelines and technical assistance to correct pay discrimination found by this study are to be developed, with a maximum two-year timetable for implementation. Monthly reports during the pay adjustment process will be required from federal agencies to guarantee compliance, as well as yearly progress reports from the OPM. These are critical safeguards to ensure that the laudable intent of this legislation is carried out, and real equal employment opportunity and fair wages result.

Female government workers' wages and living standards have been severely lowered because of sex discrimination, as have wages for all women who work outside the home. Their talents, skills, and experience remain underutilized at a great cost to our economy and their families. Representative Oakar's bill presents clear methods to ensure that the federal government obeys the law in the compensation of its employees, and we look forward to its rapid passage. By doing so, Congress will send a strong message to federal regulatory agencies, public and private employers, and to President Reagan that sex discrimination is unjust, illegal and intolerable to the women of this nation. Thank you.

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